Daily Report
Latin America

FBIS-LAT-87-170 *2 September 1987*

CONTENTS

CARRIBEAN

Cuba

Castro Presides at Start of School Year 1
Castro Tours Child Care Center Sites 1
Trial of Dominguez, Accomplices Ends 1
Envoy Interviewed on Libyan Anniversary 1
Country Elected Observer on Namibia 2
Commentary on Chilean Attacks on Press 2

Other Countries

Barbados

Finance Minister Richard Haynes Resigns 3
Prime Minister Assumes Post 4

MEXICO

Highlights of De la Madrid Address *[DPA]* 5
De la Madrid on Achievements, Challenges 5
Sepulveda Outlines Disarmament Position 6
Precandidate Secretary Salinas Speaks 7

CENTRAL AMERICA

El Salvador

Communique on Rebel Talks Conditions 9
Duarte Urges Rebels to Accept Peace Plan *[ACAN]* 9
FMLN Leader Calls for Government Dialogue 10

Panama

Local Officials Accused in Shootings *[LA ESTELLA DE PANAMA 1 Sep]* 11
New Assembly Leaders Elected 1 September 12

SOUTH AMERICA

Argentina

Nuclear Chief Discusses Development 13
Atucha I, Embalse Plants Not Operating 14
Armed Forces Sale for Reorganization 14

Bolivia

Minister Says School Activities Resume 15

Brazil

Nuclebras To Sell Uranium to Argentina *[O GLOBO 1 Sep]* 15
Sarney Sends 1988 Budget to Congress 15
Deregulation To Start on 1 September 16

Bresser on Inflation, Debt 16

Chile

Armed Group Kidnaps Army Colonel 1 Sep 17
Further Details on Kidnapping 17
MIR, FPMR Suspected 17
Army Issues Communique 18
Carabineros Chief Comments 18
'Common Criminals' Murder Sergeant *[EFE]* 18
Soviet Ships Staying Outside Limits 18
Education Minister on University Strike 18
Politicians React to Barco's Speech 19
Officials Probe Venezuelan Actions 19

Paraguay

Government Persecution Denounced *[HOY 1 Sep]* 19
Febrerista President Vera Detained *[HOY 1 Sep]* 19

Peru

Garcia: No Concessions To Terrorism 20

Uruguay

Sanguinetti Assesses Administration *[EFE]* 20

Cuba

Castro Presides at Start of School Year

FL011655 Havana Radio Reloj Network in Spanish 1402 GMT 1 Sep 87

[Text] Commander in Chief Fidel Castro Ruz, president of the Cuban Councils of State and of Ministers, today presided over the start of the 1987-1988 school year in Havana City. Fidel visited the newly inaugurated Uruguay Basic Secondary School in Zone 17 of the Alamar section in the capital municipality of Habana del Este, which has a capacity of more than 1,000 students.

Our top leader stated to Radio Reloj we are starting to march on the right path in the national education system, although we cannot rest on our laurels. He pointed out the schools and child care centers being built are of the required quality. He indicated the child care centers that are being inaugurated in the capital municipality of Centro Habana are meeting an imperative need in this territory. Commander in Chief Fidel Castro, commented to the press during the starting ceremony of the 1987-1988 school year in the capital that students do not study enough. Our top leader repeated that the youths pay more attention to television programs — which, in many cases, are not educational — than to academic subjects.

Fidel pointed out that the new basic secondary school, which is called 7th of November in honor of the 70th anniversary of the great October revolution, was constructed in only 4 months and, as far as he could see, is of optimum quality.

Havana City has an enrollment of 433,000 students — 100 percent of the schools have a double shift — and the continuity of studies is guaranteed.

Castro Tours Child Care Center Sites

FL011620 Havana Tele-Rebelde Network in Spanish 1100 GMT 1 Sep 87

[Text] Commander in Chief Fidel Castro, president of the Councils of State and Ministers, has toured the installations of a child care center under construction in Centro Habana municipality, Havana City Province. During his visit Fidel expressed interest in the support given to the Havana urban bus brigade, which is in charge of the project. Thirty-three members of this microbrigade are involved, including three women.

Fidel highly evaluated the quality of the construction and helped to put up the railing for the center's playground located on the roof of the building. The project is 90 percent finished and the brigade expects to complete work on 15 September.

Fidel noted that the installations have a capacity for 180 children and yet registration already stands at 210. Following his tour, the commander in chief conversed with the workers and spoke of the quality of the work.

Trial of Dominguez, Accomplices Ends

FL010342 Havana Television Service in Spanish 0000 GMT 30 Aug 87

[Text] The trial being held on the case filed at Havana's Provincial People's Tribunal against Luis Orlando Dominguez and his accomplices (Jose Antonio Maiques Diaz) and Jose Dalmau Alarcon, ended this afternoon. The appropriate sentencing will be read within the next few days after high tribunal members conduct proper deliberations.

In his closing remarks, Prosecutor Jorge Bodes Torres asked that Luis Orlando Dominguez be deprived of his freedom for 20 years and (Jose Antonio Maiques Diaz) and Jose Dalmau Alarcon for 10 years. The prosecutor's requests, which is the maximum sentence allowed by law for the charges brought against Dominguez Muniz, also includes the confiscation of all property received by the defendants while committing their crimes. During the course of the trial, Dr Jorge Bodes Torres explained how conclusive evidence had been presented showing the defendants' responsibility of the charges No 3734-87 filed on embezzlement, abuses in exercising their position, improper use of financial resources while exercising their position in a state economic institution, abuse of authority, and continual forgery of public documents.

In this morning's session, the government attorney convincingly explained the irregularities, fraud, and abuses committed by the defendants placing the main responsibility on Dominguez Muniz, who managed bank accounts and state resources with large amounts of domestic and foreign currency for personal benefit. (Olga Urrutia Yanez), official of the State Committee for Finance, appeared previously and gave an extensive explanation of the audits conducted confirming the crimes committed. Some 22 witnesses testified during the trial. They all confirmed the crimes as charged and the defendant's involvement in them. Because of the evidence presented by the witnesses, Prosecutor Bodes Torres waived the appearance of several additional witnesses. The defense attorneys agreed.

Envoy Interviewed on Libyan Anniversary

FL011831 Havana Tele-Rebelde Network in Spanish 1245 GMT 1 Sep 87

[Interview with 'Ali Muhammad al-Ajili, secretary of the Libyan People's Bureau in Havana, marking the 18th anniversary of the triumph of the revolution in Libya by Isabel Lage; Al-Ajili speaks in Spanish; date and place not given — recorded]

[Text] [Lage] 'Ali Muhammad, [words indistinct]

[Al-Ajili] Well on 1 September 1969, the revolution triumphed. That date is very significant to us. It signifies radical changes for the Libyan population in all sectors. It symbolizes real independence and it signifies power, wealth, and weapons through what we call the armed people. It denotes liberty and direct democracy of the

people, as well as thousands of schools, hospitals, roads, and factories to assure a great level of production so that the people will not be a [word indistinct] no more than a people of consumers. People who import their necessities from abroad must always be under pressure, exploited. It is also a highly significant event. It signifies a high cultural level and it assures a higher standard of living.

For example, the average salary of a Libyan citizen, someone that is not a (?technician), is not less that $500. In Libyan currency that equals 150 dinars.

It signifies thousands of homes. Each family has their own home and public and private transportation. The Libyan people have the opportunity to participate in all areas. This includes Libyan women who are playing a very large and positive role. The idea of the woman staying at home and taking care of the family and the husband has totally changed. The Libyan woman participates in the political, economic, and social life in a positive manner. This even includes the military sphere. They fly airplanes, drive tanks, and participate in technological work and I think it is very important that they are far [corrects himself] free to do all those types of work.

In addition, the date symbolizes liberty in the sense that in no more than 1 year we were able to remove or obligate the enemy to get out of the country.

In that sense, I want to mention U.S. bases that were in Libya, military bases in [word indistinct] and the rest belonging to the Italians. We required all of them to leave the country during the first year of the revolution. I think that this is reason to be proud of our revolution which has given us success, everything that is needed to live.

May I give you a single example?

[Lage] Yes.

[Al-Ajili] We are expanding agriculture. We are carrying out a new project called Artificial River. It will bring water from the southern part of the country to the northern end, the green coast, and [words indistinct]. This project will cost us approximately $28 billion. I think that this project is of historic importance.

[Lage] 'Ali Muhammad, how has the Libyan revolution confronted the current international situation, political and economic, which affects the Third World.

[Al-Ajili] Well, Libya (?is) a Third World country. It is a revolutionary, progressive, socialist country that has principles in this sense and we confront the common enemy, imperialism, [word indistinct] to struggle for the world's life, life at the level of the Arab world, the Third World. That costs us much.

We are confronting all types of blockades, aggressions, and maneuvers, not just because Libya is threatened because of its principles but because of the commitment of the 1 September revolution to defend the cause of liberty in any location in the world. In the Arab world, we have positively expanded on the Palestinian cause. In Africa, we are supporting Namibia and Angola. In Central America, we are supporting Nicaragua and El Salvador. We are supporting all liberation movements. This is our principle. It was confirmed by Libyans in the document of the people's government on 2 March 1977. Commander in Chief Fidel Castro Ruz was present for this event.

We are doing everything possible to resolve problems in the Third World in a peaceful manner, but what happens is that the enemy, imperialism, requires us to take more direct military measures.

When they attacked us, attacked the house of Colonel Mu'ammar al-Qadhdhafi, on 15 April 1986, we were required to respond to this attack. They failed with this attempt and they are now trying to attack us from the south by using Chad's border as a pretext to intervene and overthrow our revolutionary system in Libya.

In this case, I would like to say that the best way to confront this is to continue supporting the liberation movements, continue cooperating with all socialist and progressive countries and to continue struggling for unity in the Arab, African, and Third Worlds.

I think establishing an extensive front to confront the enemy is the best way to be able to live together.

[Lage] We thank you, Mr 'Ali Muhammad, for your remarks to Television Cubana and to you, our esteemed television viewers; thank you very much for your attention.

Country Elected Observer on Namibia

FL020144 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Sep 87

[Text] Cuba was elected unanimously today as observer at the UN's council on Namibia. Alberto Velazco, Cuban alternate permanent delegate to the United Nations, took the opportunity to reaffirm Cuba's policy in favor of Namibia's independence and in support to its only and legitimate representative, the SWAPO (South-West African People's Organization). Representatives from Australia, Colombia, Mexico, and Venezuela — members of the council — underscored the work of Cuba in the field of decolonization and its support to the UN's efforts to obtain Namibia's independence.

Commentary on Chilean Attacks on Press

PA311833 Havana International Service in Spanish 2300 GMT 29 Aug 87

[Commentary by Amalia Sanmartino]

[Text] According to a last-minute news report, the Chilean Supreme Court unanimously decided to suspend temporarily an injunction submitted by the military

regime against four communications media charged with insulting General August Pinochet. The suspension of the trial is based on the need for the courts to first analyze a recourse of inapplicability submitted by Emilio Philippi, director of *La Epoca* newspaper. The recourse states the legal basis cited by the Interior Ministry to institute proceedings against the four communications media is unconstitutional and thus cannot be applied.

The persecution of the press is nothing new from the Chilean military regime. As many may recall, more than a few newsmen were killed during and after the coup d'etat of 11 September 1973, but the repression of the opposition press has increased in the last few years, with such actions as the confiscation of an entire edition of the humor magazine (?*Apsi*), which had printed a Pinochet cartoon. The dictator has no sense of humor — which is why he does not tolerate cartoons — so he ordered the magazine confiscated before it reached the newsstands, and ordered the arrests of its director, Marcelo Contreras; and deputy director, Sergio Marras. In this regard, the newspaper *La Epoca* published an editorial stating that this distate for humor is a sign of tremendous weakness, and whoever thought of putting *Apsi* newsmen in jail and bringing them to trial are afraid that the people's smile will endanger the government's stability.

La Epoca added while Pinochet allows himself the freedom to insult his enemies, with no one able to bring injunctions against him, he brings before military justice anyone who makes jokes about any part of his multifaceted personality.

Any further commentary is almost unnecessary, except to say dictatorships are even afraid of the humor of the peoples that confront them.

Other Countries

Barbados

Finance Minister Richard Haynes Resigns
FL011754 Bridgetown CANA in English 1738 GMT 1 Sept 87

[Text] Bridgetown, Barbados, Sept 1, CANA — Following is the text of the letter of resignation (dated August 31) by Finance Minister Dr Richard C. Haynes.

"Dear Prime Minister,

Over the past nine years, both in opposition and in government, I have fought unstintingly to bring discipline and relevance to the fiscal, monetary, and other economic policies pursued by the Government of Barbados, for the benefit of all of our people.

These efforts, when we were in opposition, culminated in the budgetary proposals of April 1986, which attracted widespread support in this country and which were incorporated in the winning manifesto which I prepared for the 1986 general elections.

Over the past fifteen months, I have implemented the policies outlined in that document and the overwhelming majority of our citizens now enjoy a better standard of living, while critical areas of the economy, with the exception of export manufacturing, have been strengthened.

Now that this structural adjustment has been successfully implemented, the time has come for new initiatives, already planned to be put in place in order to build on the gains to the past fifteen months.

It is a matter of deep regret that a number of events have taken place which have seriously compromised my ability to function in the best interest of the people of this country.

The present ministerial arrangements whereby the Economic Planning Section has been separated from the Ministry of Finance, and redesignated as the Ministry of Economic Affairs, is tenable only in circumstances in which there is a close working relationship between the Ministry of Finance and the Ministry of Economic Affairs.

During my first year in office, I was able to make an early input into matters which fell within the responsibility of the Ministry of Economic Affairs but had significant and often critical budgetary and financial planning implications.

This was possible because the late prime minister, who clearly understood the need for effective coordination, gave specific instructions to his staff which permitted them to report to the minister of finance as if you were reporting to me, and the director of finance and planning reported to both ministers since his work, statutory and otherwise, relates in the main to the Ministry of Finance.

Since June 1 of this year, I have not been consulted on any matter, apart from the brief conversation we had relating to several possible candidates for the post of governor of the Central Bank of Barbados.

It was a matter of gross disrespect to be apprised of this appointment on reading the Sunday *Sun* of August 30, 1987, and a major source of embarrassment since I had indicated to the Cabinet of Barbados in July that I would shortly be presenting my recommendations to fill that post, and was in the process of preparing such recommendations for presentation to Cabinet on Thursday, September 3, 1987, acting in accordance with the provisions of the Central Bank Act and accepted practices within the context of Cabinet Government.

This episode has followed on the very disturbing situation where an appointment was made to the post of director of finance and planning without my prior knowledge.

As matters now stand, I am in the untenable position of having responsibility without authority in critical areas of the financial and economic management of the country, while actions of this nature undermine the integrity of the Ministry of Finance and its institutions.

In the circumstances, principle and adherence to the well-established tenets of Cabinet government dictate that I tender my resignation as minister responsible for finance and energy.

I vacate this office with the satisfaction that I have been able to put in place the new fiscal arrangements which formed the centrepiece of the Democratic Labour Party's 1986 manifesto, and to enhance the viability of the institutions for which I held responsibility.

I wish to acknowledge the professionalism and integrity of all the staff of the Ministry of Finance who contributed in no small measure to the successful implementation of our party's programme.

I will continue to serve this country and my constituents in the best way I can from the back benches of parliament." (end of text)

Prime Minister Assumes Post

FL012159 Bridgetown CANA in English 2130 GMT 1 Sep 87

[Text] Bridgetown, Barbados, Sept 1 CANA — Barbados Prime Minister Erskine Sandiford is assuming full responsiblity for the finance portfolio following the resignation of Finance Minister Dr. Richie Haynes, the government reported today.

Sandiford, who has been standing in for Haynes since August 4 during his vacation, will continue to be responsible for the portfolio of minister of finance, a brief statement from the prime ministers office said.

Haynes, in a letter to Sandiford yesterday, complained of having been ignored when the government took decisions on major financial matters, including the recent appointments of the director of finance and planning and the governor of the Central Bank.

The government statement made no response to these charges. It said: In his reply to Dr. Haynes, Prime Minister Sandiford regretted Dr. Haynes' resignation and thanked him for his public service to Barbados as minister of finance.

Haynes was appointed finance minister shortly after the Democratic Labour Party (ADLP) won the 1986 general election.

The prominent Barbadian physician was credited with drawing up the attractive fiscal package that helped the party win the election.

Highlights of De la Madrid Address

PA012003 Hamburg DPA in Spanish 1809 GMT 1 Sep 87

[Text] Mexico City, 1 Sep (DPA) — President Miguel de la Madrid said today that his government prevented the Mexican economy's collapse and overcame a phase of great danger.

Nevertheless, he admitted his austerity policy had an unfavorable social cost, reflected in lower salaries, a stepped up inflation, and less welfare for the people, "who lived through a difficult period."

The president offered an optimistic view of the national economic situation, upon presenting his Fifth State of the Nation report to the Congress.

"The crisis is temporary; Mexico is making progress," he said in the final part of his 113-page report, which he read to the deputies and senators from all the parties at the San Lazaro Palace.

Referring to political issues, De la Madrid promised honest and law-abiding elections, and asked the candidates participating in the presidential elections next July to avoid actions that would discredit the country.

De la Madrid dedicated a large part of his report to the economic problems his government had to face during the last 12 months as a result of the drop in oil prices and the difficult access to foreign credit.

He recalled that those problems "led to predictions about bankruptcies en masse, overall unemployment, an extremely high inflation rate, division, and recession," but his government faced the challenge with "resolve and strength."

He added: "Encouraging elements" allow us to assert Mexico has overcome the most difficult phase of its crisis; these elements include the steady increase in oil prices, the "impressive dynamism" of non-oil exports, the renegotiation of a $100-billion debt, and an unprecedented $14.597-billion accumulation of reserves — $10 billion more than last year.

Nevertheless, he admitted that his government's economic policy had an unfavorable social impact, given the drop in salaries, high inflation, and a worsening of the population's welfare.

The president recalled that the internal product dropped 3.8 percent in 1986, inflation increased 105 percent, the peso's exchange rate per dollar dropped 148 percent; and added the first half of 1987 offers a "more encouraging outlook."

He reported that non-oil exports increased 26 percent, while the oil exports recovered noticeably, with an increase in prices from $12 to $16. The country has a trade balance surplus of $4.76 billion and a cash-on-hand surplus of $3.122 billion.

De la Madrid added the foreign debt is still "a heavy burden on our national economy," even though $43.7 billion of the public debt and $9.7 billion of the private debt were renegotiated in April under favorable terms.

He added a "durable" solution to the problem demands a consensus among debtor countries and concessions from the international banks, and reasserted that his government will maintain a policy which advocates negotiations, "avoiding open confrontations, rhetorical statements, and demagogic measures."

"We do not want to declare an economic war on the world. We have realistically advanced as far as the current circumstances have allowed and we are engaged in what is considered the most progressive foreign debt negotiation at the international level," he emphasized.

"Let us not rely on old myths; let us not seek obsolete solutions. Nostalgia does not represent the solution for our current problems, or support for the future," he added.

This phrase was interpreted as an allusion to the criticism voiced within his own party for an alleged estrangement from the nationalist principles that emerged from the 1910 revolution.

Referring to political issues, he rejected the opposition's doubts about honest elections in July and said his government "assumes the pledge to abide by the law and guarantee that honesty and public order will prevail during the elections."

Referring to the international situation, he asserted Central America is undergoing "uncertainty and unrest." He added Mexico "believes it is necessary to avoid wars and confrontations," and reasserted his satisfaction for the results attained during a recent Central American summit meeting.

Likewise, De la Madrid said that the permanent consultative group's meeting in Mexico City on 27-28 November will allow a stronger political consultation and coordination mechanism, which was created in Rio de Janeiro last December by Argentina, Brazil, Colombia, Mexico, Panama, Peru, Uruguay, and Venezuela.

De la Madrid on Achievements, Challenges

PA011854 Mexico City Red Nacional 13 Imevision Television in Spanish 1545 GMT 1 Sep 87

[Interview with President Miguel de la Madrid by correspondents Adriana Perez and Dolores Ayala on 1 September at Los Pinos Presidential Residence in Mexico City — recorded]

[Text] [Ayala] Good morning, Mr President; good morning, Mrs de la Madrid.

[Perez] Good morning, Mr President; good morning, Mrs de la Madrid.

[Ayala] Mr President, at the inauguration of your presidential term, you presented seven ideas, including a plan for overall development, programs for various sectors of the country, etc. Those were goals you set for yourself. What percentage of those goals in your estimation has been fulfilled?

[De la Madrid] Well, Dolores, I believe ideas, plans, and programs are not only measured in terms of percentages; the ideas I presented during my presidential campaign — as I have said repeatedly — are political ideas derived from the doctrine of the Mexican revolution and expressed in the Mexican Constitution. They are not my own ideas; they are the principles the Mexican revolution has maintained through time and my party has included in its declaration of principles. They are part of our political philosophy, which has guided my government's actions.

It is true my plans and programs outline certain quantitative goals, but they also contain qualitative goals, and structural and qualitative changes. I believe my government has not attained some quantitative goals because of the difficult economic situation. I specifically refer to the inflation rate, which we have been unable to reduce and which continues to be very high.

However, there are some production, social, education, health, and housing goals that have been fulfilled and even surpassed. I will try to inform the Mexican people about our achievements, our unfulfilled goals, and the reasons for our inability to attain those objectives. This is the commentary I can present to you today.

[Ayala] Mr President, you have ruled under circumstances that prevent recognition of a statesman's personal brilliance. What are the challenges and expectations for your 6th year in office?

[De la Madrid] Dolores, I believe my 6th year in office is to consolidate advancements attained in many fields and to persist in the fulfillment of remaining goals.

Politically speaking, I would say we basically have to maintain our democracy, peace, and freedom. Economically speaking, we must consolidate the economic growth we have attained and, with the contribution of all Mexicans, make all necessary efforts to reduce inflation.

We must continue improving our social, health, education, housing, ecology, culture, and recreation policies. In my opinion, my last year in office must be a year of consolidation. I do not think this government can plan new programs or spectacular measures. That will be the objective of the upcoming government when it sets the tasks of the new presidential term. I want to consolidate and render good service to the Mexican people.

[Ayala] Mr President, you are very well aware of our country's problems. What would you say are the sectors on which the upcoming government will have to work harder?

[De la Madrid] It is not my duty to outline the work of the next government. The elected candidate, along with the people, will establish goals, tasks, and strategies of their new government. It is my duty to say what I will do until 30 November 1988 and nothing else.

Sepulveda Outlines Disarmament Position

FL282223 Mexico City NOTIMEX in Spanish 1606 GMT 27 Aug 87

[By Alicia Yolanda Reyes]

[Text] Mexico City, 27 Aug (NOTIMEX) — Mexico is convinced development of countries cannot be achieved if the superpowers continue their arms buildup, and in a world of finite resources, the arms race significantly limits and even eliminates, economic and social development programs benefiting a large part of humanity.

On the occasion of the International Conference on the Relationship Between Disarmament and Development, Mexico's Foreign Relations Secretary Bernardo Sepulveda Amor stated disarmament and development have been given priority in Mexico's international actions.

My country, the Mexican minister said, is at the same time on the border of the nuclear world and a dividing line between North and South. It's commitment to peace and its militant advocacy of economic cooperation and North-South dialogue should therefore not be surprising.

The foregoing shows it is logical for President Miguel de la Madrid to have become involved with diverse initiatives designed to guarantee world peace and promote international cooperation for development.

Mexico is one of the few countries that devote less than 1 percent of their GNP to the military. The priority objectives of the Mexican Government can be found in the pursuit of Mexicans' well-being.

The ineffectiveness of multilateral forums and the difficulties of dialogue between the two major nuclear powers led to the initiative of the Group of Six leaders from Argentina, Greece, India, Mexico, Sweden, and Tanzania.

The basic objective of that initiative was to promote an international political atmosphere that would make it possible for the nuclear powers to reach an agreement.

The action of the six is based on the international society's legitimate concern with eliminating the threat of a nuclear war. Disarmament, Mexico pointed out, concerns everyone without any exceptions, because the future of all is in danger.

The Mexican leader believes the world's political and military destiny are not in his hands, but the actions of the six countries genuinely express the main wishes of our time, which are to live in peace and to continue the effort of civilized creativity to secure man's liberty and well-being.

Mexico has insisted poverty and economic insecurity are also a threat to peace and international security.

In the New Delhi declaration of 28 January 1985, the six leaders stated it is essential to find a remedy to the present situation in which billions of dollars are spent annually on arms, approximately 1.5 million a minute.

Such a situation, the Mexican minister said, is in dramatic contrast to the poverty and misery in which two-thirds of the world's population lives.

Mexico is convinced if the collective security system outlined in UN charter were strictly adhered to, it would create the best conditions for an international cooperation that would in turn make disarmament and development possible.

The Mexican Government maintains international security will be guaranteed when states commit themselves to a peaceful and negotiated solution of world and regional conflicts in accordance with the norms of international law.

In this context of contribution to world peace and the end to the arms race, Mexico has promoted the Contadora Group, the Group of Six, and the Group of Eight while also indicating its willingness to participate in joint efforts between the United States and the USSR.

To those who state disarmament is also a costly process, Mexico has said in any case, the cost of peace is always less than that of war.

To obtain disarmament and to advance toward development is an effort concerning everyone, the Mexican Government maintains, because it satisfies a legitimate national interest and a necessary collective interest.

In this task, Secretary Sepulveda pointed out, the action of the multilateral organizations is basic. He added Mexico trusts this will lead to the consolidation of the bases for truly lasting peace and international security.

Precandidate Secretary Salinas Speaks

PA291950 Mexico City XEW Television Network in Spanish 0500 GMT 28 Aug 87

[Speech by Carlos Salinas de Gortari, Planning and Budget secretary and PRI presidential precandidate to the PRI National Executive Committee on 27 Aug — recorded]

[Excerpts] Fellow partisans. I have come here because of your distinguished invitation to attend this consultation meeting on national problems and the basic electoral platform. I come here today as a PRI militant and a public official to present my viewpoint on the advancements made by the country and on future challenges. I came here to share Mexicans' concerns and to talk about and propose future actions. [passage omitted]

Inflation is at the core of the economic challenge, along with the need to increase structural changes. Society demands a struggle against inflation, because it harms the most needy sectors. Inflation daily affects housewives, workers, students, and professionals.

Inflation is also an economic challenge, because it promotes profiteering activities, discourages saving, distorts investment, and concentrates income.

An efficient struggle against inflation entails first understanding the problem and preventing demagogic disorientation. The current inflation is one of costs, inflexibility, perspectives, and behavior. It is not nourished by excessive expenditure. Inflation will drop if government controls are adhered to, if the economic structural reorganization is strengthened, and if all those who set prices work in solidarity with each other.

We are already experiencing a moderate recovery that lies on more firm bases, which are financially reorganized and undergoing a consolidation process. That positive evolution shows we have followed a sure and effective policy.

That does not mean the economic problem is resolved. We have to extend that recovery to more workers, social sectors, and regions.

The social challenge will be the most serious and difficult one. Society demands greater equality. We must respond efficiently, without falling into demagogic rhetorics: well-intentioned equality or the offer of paradise without effort. We must conduct a more equalitarian development. That will force us to clearly outline the challenges.

Social justice will only be attained with work, clear policies, determined actions, and redoubled and equitable efforts.

By the end of 1988, we will be almost 83 million Mexicans — 10 million more than at the inauguration of the current administration. Therefore, in the coming decade, we will have the highest employment demand of our history. The need for health, education, housing, food, transportation services, and a decent job will constantly increase.

The basic instrument to fulfill that challenge will be the creation of productive jobs and the firm defense of real wages. This entails the maintenance of a healthy basis of development by taking advantage of our economic recovery.

Society demands equal efforts. In years to come, above all we especially will face a democratic challenge. We must widen the channels of political participation; we must regulate and perfect our institutions to reflect our society's increasing diversification and pluralism. In our process of democratic and nationalistic modernization, which the revolution's party directs with daily actions, the state will be strengthened. A strong state allows broad participation by civilians and vice versa. A democratically organized society is needed to expand participation in the electoral process, to allow power to be shared, to

broaden our political system, to strengthen the bases for renewed alliances, and to influence the government's decisions. We will need a strong democratic state to foster what is best in our nation. [passage omitted]

I propose a popular, nationalistic modernization in which we can take pride, which will bring new hopes, and which will result in the people's well being. This modern concept is not intended to destroy the best of Mexico's political tradition. Instead, it is aimed at adjusting our political practice to conform to the new demands and to serve the nation and its society with loyalty and effectiveness. From President Miguel de la Madrid, I have tried to learn clear leadership, exemplary conduct, and firmness in fulfilling responsibilities. This political practice has made it possible to strengthen and win respect for the government institutions under the most difficult circumstances, a goal I have tried to meet as a militant and as leader of my party. [passage omitted]

Modern politics is linked with the defense of sovereignty. It requires a profound knowledge of the international situation, cleverness, and an ability to achieve more benefits from negotiation than from confrontation. It requires a desire to strengthen Latin American relations; an understanding of U.S. economic, political, and strategic policies; and the great transformation of the Pacific basin. Modern politics accepts the supremacy of law and constitutional order; it recognizes society's demand to strengthen the balance of powers, it calls for continual support for the concept the president should be at the service of the people, he must listen and reach agreements, and not impose his will on or hurt the people. [passage omitted]

El Salvador

Communique on Rebel Talks Conditions

PA011455 San Salvador Radio Cadena YSKL in Spanish 1122 GMT 1 Sep 87

[Salvadoran Government "communique"; date and place not given]

[Text] The FMLN-FDR have issued a communique in which they agree to the dialogue proposed by President Jose Napoleon Duarte, who had proposed the place and agenda for the talks as well. To clafiry the government's position, the terms under which the invitation for dialogue was issued will be reiterated. The Legislative Assembly speech made on the occasion of the peace document's presentation noted the importance of the fact the five Central American presidents, by signing the peace document, recognized the legitimacy of the governments in which freedom of the press, assembly, public demonstrations, pluralism, and free elections exist, as they do in El Salvador.

Likewise, by recognizing that the democratic process is the only legitimate means through which the people may express themselves, the five Central American presidents rejected violence as a means to achieve power, thereby confirming the illegitimacy of the FMLN-FDR. The international community's support for the peace plan and for the agreements signed at the Esquipulas II summit confirms the illegitimacy of those organizations determined to use violence as a means to achieve their objectives.

The invitation for talks made within the framework of the peacful spirit that predominated during the Central American presidential summit is a result of the good faith and firm determination of the Salvadoran Government to fulfill the peace document agreements. Such an invitation is made under the condition the rebels agree to join the democratic process and abide by the contents, spirit, and procedures established in the peace plan, which should be regarded as an indivisible entity.

Public acceptance [of the conditions] must be made and must include the decision to hold a meeting to discuss a cease-fire. In their recent communique, as usual, the FMLN-FDR avoided responding to the president's proposal, thereby disregarding the established conditions. They have proposed in writing that the agenda should be limited to the first part of paragraph A of the peace plan. They have proposed omitting the second part of the paragraph, which states: The corresponding governments will initiate a dialogue with all unarmed political opposition groups in the country and with those who have accepted amnesty.

Under these circumstances, the Salvadoran Government believes the established framework for a dialogue has not been met; however, the government's intention is not to refrain from efforts that are so important for achieving peace. It therefore reiterates its invitation for a dialogue and expects the FMLN to show its good faith by accepting the complete peace plan in accordance with the clearly stated conditions.

Duarte Urges Rebels to Accept Peace Plan

PA010550 Panama City ACAN in Spanish 0218 GMT 1 Sep 87

[Text] San Salvador, 31 Aug (ACAN-EFE) — Jose Napoleon Duarte's government has again asked the Salvadoran guerrillas to accept publicly and in its entirety the Esquipulas II document as an indispensable condition for holding talks on 15 September.

The Salvadoran Government believes the guerrillas "have not fulfilled the framework established for the dialogue" that must be met so a meeting can be held on that date to try to end 8 years of fighting.

Government spokesman Roberto Viera announced early this evening an official communique in which Duarte's government reiterated the need the Salvadoran guerrillas accept in an "integral" manner the peace document signed by the Central American presidents in Guatemala City on 7 August.

The communique says Duarte's government "reiterates its invitation to the talks. The FMLN and FDR must show their good will by giving a firm response accepting the peace plan in its entirety."

Within the Esquipulas II framework, President Duarte called on the FMLN-FDR to resume the dialogue on 15 September provided the rebels, like the Nicaraguan "contras," publicly accept and state their agreement with the document signed by the Central American presidents.

Duarte also appealed to the "contras" and the Nicaraguan Government to meet and discuss the possibility of a cease-fire in that Central American nation.

Without rejecting Esquipulas II, the FMLN-FDR expressed its readiness to resume a dialogue, proposing that a 2-day meeting be held in San Salvador and committing itself to observe a temporary cease-fire as a good-will gesture.

The Catholic Church, which has traditionally mediated between the government and the FMLN, had said the Christian Democratic government and guerrillas had not reached an agreement on the Esquipulas II document and only if something extraordinary were to happen could the talks be held on 15 September.

As was predicted by the church over the weekend, Duarte's government responded this afternoon to the Salvadoran guerrillas that they must accept Esquipulas II in its entirety.

The dialogue proposes as a prior condition the rebels agree to join the democratic process in keeping with the contents, spirit, and proceedings of the peace plan, which is a harmonious, indivisible endeavor," the communique read by the government spokesman stated.

It added "the guerrillas' support of the peace plan must be publicly expressed and must contain the decision to hold a meeting to discuss an end to the hostilities.

The response by Duarte's government to the guerrillas was given hours after the legally registered opposition parties demanded an unconditional cease-fire with the FMLN-FDR.

The opposition political parties, two of which are on the National Reconciliation Commission, which includes the rightist Nationalist Republican Alliance (ARENA), demand of Duarte a "multiple dialogue without prior conditions."

The political parties argue that Esquipulas II is not binding because it has not been ratified by the Legislative Assembly and is not an official law.

FMLN Leader Calls for Government Dialogue

PA020331 San Salvador Radio Cadena YSU in Spanish 0200 GMT 1 Sep 87

[Report by correspondent Carlos Mario Marques]

[Text] The opposition parties called on President Jose Napoleon Duarte today to start an urgent dialogue with the guerrillas and political parties without any prior conditions. The request is contained in a document signed by the Social Democrat Party, PSD; the Salvadoran Authentic Institutional Party, PAISA; the Stable Centrist Republican Movement, MERECEN; the Salvadoran Popular Party, PPS; the Liberation Party; the Renewal Action Party, PAR; and the Nationalist Republican Alliance, ARENA. The document has already sparked the first reactions and we have Salvador Samayoa of the FMLN's political and diplomatic commission on the telephone to state his position regarding this document.

[Begin recording] [Samayoa] Our position regarding this document, or what we know of this document because we have not received the full text, is that it is probably much more important, with more political value and hope for our people, than all the empty rhetoric of the Duarte's government. Up to now, Duarte has only used the Guatemalan agreements to not hold a dialoguue, to not advance in the search for peace. Now, the political parties are demanding the opposite from him and for us this means this is the first real possibility to meet and reach an understanding, to begin a dialogue to search for peace together. Duarte must learn this lesson, must know that all the people, the entire nation, all society, all the political forces, regardless of their ideologies, are calling for peace in the country; a just peace, a lasting peace; a real peace. Then this document that expresses the political parties' will is valuable. For the past months we have been stating the need for and our support of a national dialogue with all patriotic sectors and now, with the political parties' demands, this possibility has arisen.

[Marques] Samayoa, the opposition political document is clear: It calls on President Napoleon Duarte to start an urgent dialogue without any prior conditions. What is your opinion about this since President Duarte has reaffirmed that he will only hold a dialogue with you if you recognize the Esquipulas II document?

[Samayoa] We maintain that Duarte's conditions are inventions created by him; they differ completely from the spirit and letter of the Guatemalan agreements. The political parties position now agrees with ours. That is to say, if we all start placing prior conditions before starting a dialogue we will never have a dialogue. We do have a desire to immediately hold a dialogue, not only with the government but with all the political parties and economic and social sectors of the country. Our support for a dialogue is well known and we have previously even stated a few subjects that could be points of agreement among the political forces. We know it is difficult to attain total agreement in all matters but we are convinced that there are points on which we can agree and that can serve as a basis to attain peace for our country. We have observed, not only in today's statements or in the position expressed by the political parties today, but in past days we have also studied with great care, the press conferences held by different political parties to state their positions, positions given by Cristiani, Hugo Carrillo, and other sectors. We believe they were all trying to be constructive and they were cautiously trying to be positive in the searching for peace. We did the same, we tried to send signals that we had a positive position and, as always, the only one that came up with a dissapointing position for all Salvadorans was Duarte.

[Marques] The document also states that they regretted that a uniform national criteria for ratification was not determined, as this was a point left up to each country's interpretation. This document also says that because ratification is not obligatory and the agreements are not compulsory, the country's social, political, and rebel forces cannot be given preconditions for a dialogue with government. The document also states the war-like conflict is the most serious aspect of the Salvadoran crisis and stopping the war would be the most important step toward reconciliation. Mr Samayoa, do you not believe that this is an unprecedented document?

[Samayoa] I do believe so; it is an unprecedented political event in the country's history. The fact that all the country's political parties — I understand this does not include the Christian Democrats, but all other parties — are asking for a dialogue without prior conditions and, as I said before, it could be the first point of understanding among all the forces. I do believe it is a very important event and one to which we will surely react constructively. As other political forces in the country are doing, we are going to listen to the people's desire to search for peace. We are going to listen to the people who are tired of the government's empty words that do not lead to anything concrete in the search for peace.

[Marques] Samayoa, what you are saying is related to a section within the document that will be delivered by the political parties tonight, that states the peace process should not be politicized in favor of the government, the

political party in power, or any person. Its politization would invalidate the philosophical and moral bases of Esquipulas II and would thus betray Salvadorans and their history. What would you propose to President Duarte today after it is seen that this document has gained more support?

[Samayoa] More than the support, Duarte has the duty, the obligation to listen to what all sectors are calling for, what all sectors are demanding from him. He must urgently initiate a serious dialogue, without placing prior conditions, much less arbitrary and absurd conditions. He should go to this dialogue in good faith. This should not just be a dialogue between the government and FMLN, but it should be possible to have a national dialogue; a dialogue among all sectors and economic, political and social forces. Peace is a task that belongs to all Salvadorans; it is a desire, a hope, a right of all Salvadorans. Only those persons or political forces that do not want peace can be excluded; those who do not want our country to recuperate its sovereignty; who do not want our country's suffering and destruction to end soon. Only those persons would be excluded, but the rest of the sectors, parties, and political forces should actively participate in a national dialogue to reach the political understanding that will lead us to peace.

[Marques] When Monsignor Rosa Chavez referred yesterday to the response given by President Duarte to Monsignor Rivera Damas on your proposal, he stated that a dialogue with other conditions could take place at another date. Does this indicate President Duarte is under strong U.S. pressure to not hold a dialogue with you soon?

[Samayoa] Definitely so. This is one of the factors: U.S. pressures and the fact that the government is subjecting the nation's policies to the decisions of foreign countries; the United States, to be exact. Now, in Monsignor Gregorio Rosa Chavez's homily yesterday, it is striking to note he states the government has continued its efforts to fulfill the Esquipulas II agreement. This is contrary to the understanding that everyone in El Salvador has; our understanding the government is not trying to fulfill agreements; to the contrary, it is obstructing the possibility of attaining these efforts. Thus, the auxiliary bishop's statement yesterday stands out and we hope the church plays a more active role. It should demand the government really meet the commitments and not continue saying that government is meeting the agreements when this is not so. This trick of perhaps [holding a meeting] at another date; this is a trick the government has used many times. The government only does this to continue the pretense that it has a position open to dialogue. But it never gets around to that dialogue. Now they tell us not the 15th but perhaps another date. This is the trick they have used many times. Nobody believes them; that is why the government is discredited — it has no credibility.

[Marques] Now that the political parties position has been revealed, would your organization reaffirm to the government that they will stop hostilities between the 12 and 17 September so that the peace dialogue can start?

[Samayoa] Correct. I can officially reaffirm, as we did in the communique that we issued last Thursday [27 August], the decision of the top level FMLN command and the FDR's executive committee to have a cease-fire during those days in order to hold a dialogue with the government. However, our political objectives are larger than a sole meeting with the government; our objectives are to have a real and dynamic process to search for our country's peace. If this search for peace required the extension of the cease-fire period in order to hold meetings that are more peaceful and in a better political climate — not only with the government but will all the political parties, with the workers, with the social forces — the FMLN is willing to consider the possibility of extending the cease-fire period. [end recording]

Panama

Local Officials Accused in Shootings

PA011438 Panama City LA ESTRELLA DE PANAMA in Spanish 1 Sep 87 pp 1, A-10

[Unattributed article: "Attacks Blamed on Officials of San Miguelito Mayor's Office"]

[Text] The opposition National Civic Crusade yesterday accused Balbina de Perinan [mayor of San Miguelito District], Virgilio Perinan [her husband], and Jaime Eustacio Ford, officials of the San Miguelito mayor's office, and Legislators Luis Gomez and Harmodio Icaza of being involved in the armed attacks against an anti-government demonstration held on the Boyd-Roosevelt Highway on Sunday.

In a news conference held yesterday in the Chamber of Commerce headquarters, Carlos Gonzalez de la Lastra [a leader of the Civic Crusade] described the attacks "as an absurd and unnecessary aggression by the paramilitary groups."

Father David Acosta Restrepo, who has been the parish priest of Cerro Viento and San Antonio neighborhoods for the past 5 years, recounted: "I was standing with my back to the base of the Roosevelt statue when they began to open fire."

"I began to pray. I think I was not hit because God was with me," the priest said, adding there were individuals in the adjacent hills firing with carbines at the antigovernment demonstrators. "There were several lost children in a ditch. You had to see the faces of the people, of people in shock because we were participating in a civic activity, and we came up against assassins."

Sociologist Joaquin Ortega said more than 10 people were opening fire from the hills surrounding the site of the opposition protest. Ortega said they used .38-caliber weapons, Uzi submachine guns, tear-gas canisters, and .20-caliber shotguns.

"At the moment some of them began to fire directly at people and into the air, others fired carbines and submachine guns from a hill."

Ortega said the paramilitarymen "entered the communities to attack homes" mainly in San Antonio and Cerro Viento.

De La Lastra accused the Latin American countries and governments "of conspiring against the Panamanian people" because they have not commented on the crisis that Panama has experienced for the last 3 months, particularly about the protests and demands by the opposition.

A document distributed yesterday to journalists in the basement of the Chamber of Commerce headquarters stated that vehicles with license plates 107809 and 8C5859 and a green dump truck were identified as those involved in the "ambush" on Sunday.

Armando Moran was killed in circumstances that have yet to be clarified by the authorities. According to the Civic Crusade, approximately 15 people were wounded by gunfire and birdshot.

Late on Sunday afternoon, the residents of Cerro Viento and San Antonio erected huge barricades to "prevent" armed civilian groups from entering the neighborhoods to take reprisals against the antigovernment demonstrators.

New Assembly Leaders Elected 1 September

PA011809 [Editorial Report] Panama City Domestic Service in Spanish at 1526 GMT begins live coverage of the election ceremony at the Justo Arosemena Legislative Palace for the new Legislative Assembly president, first vice president, and second vice president for the fourth period of sessions. At 1613 GMT, Legislator Alberto Aleman Boyd is elected and sworn in as the new Legislative Assembly president. At 1641 GMT, Legislator Harmodio Icaza is elected as first vice president; and at 1709 GMT, Legislator Luis Gomez is elected second vice president. At 1712 GMT, new Assembly President Alberto Aleman Boyd swears in First Vice President Harmodio Icaza and Second Vice President Luis Gomez.

Argentina

Nuclear Chief Discusses Development

PY011346 Buenos Aires DYN in Spanish 2234 GMT 29 Aug 87

[Report by Mirta Dragoevich and Daniel Zadunaisky]

[Text] Buenos Aires, 29 Aug (DYN) — From the purchase of the turnkey Atucha I plant to the sale of a nuclear reactor to Peru; from the purchase of tomography equipment to its production in the country; that is to say, from dependency to sovereignty, what is the current state of Argentina's nuclear technology development? What are the prospects for the future?

This was the "essence" of the topics discussed by Emma Perez Ferreira, president of the National Commission for Atomic Energy [CNEA], during a lengthy talk with reporters of the DYN Science and Technology Department in her office on Libertador Avenue.

Argentine nuclear development has a prehistory and a history, clearly separated by an international political event: In 1978, the nuclear powers signed a nuclear Nonproliferation Treaty, and since then the United States, our supplier of enriched uranium for our experimental reactors, has cut the supply.

During the "prehistorical period," the promoters of nuclear energy in the country have taken precautions by installing a nuclear energy generating plant, Atucha, which uses natural uranium as fuel. Argentina has significant uranium reserves in Mendoza.

Perez Ferreira explained that it would be useless to focus our discussion on the degree of foreign participation in the installation of a nuclear plant, because according to her, real dependency lies in the supply of fuel, which could be suspended by foreign decision.

The problem came to light in 1978, because, although the fuel for nuclear generation of electricity has always been domestically guaranteed, the supply of fuel for our experimental reactors producing radio-isotopes has not. These reactors have been operating with 90-percent enriched uranium supplied by the United States.

Since the signing of the Nonproliferation Treaty, those in charge of Argentine nuclear policy had to redesign those experimental reactors to operate with 20-percent enriched uranium. The Soviet Union was willing to supply this grade of fuel.

Since the experimental reactors in this country as well as those sold to Peru and Algeria were redesigned, technicians at CNEA and at INVAP [Applied Research Institute] have made significant progress in developing uranium enrichment technology so that we do not have to depend on the Soviet Union.

Perez Ferreira explained that "our objective is to enrich uranium up to 20 percent, which dispels any suspicion that the plant could have nonpeaceful purposes since fuel for nuclear weapons requires a higher degree of enrichment, as much as 90 percent."

The fuel supplied by the Soviet Union is still being used because the plant located in Pilcaniyeu, near Bariloche, is only a pilot plant, not yet producing amounts necessary to fuel a reactor. The installation of an industrial-scale plant is in the advanced stages, but has not yet gone into production.

Perez Ferreira added that interdependence is essential for scientific development in the world, and that "real independence implies the capacity to design so that once engineering problems are solved, a country can freely choose from which country to purchase each component."

She added: "We are moving in that direction by acquiring more technology, but we cannot yet guarantee that if we design our own nuclear plant, we will be able to build it exclusively in Argentina.

But the fact remains that we have achieved a certain degree of independence. In some sectors we have achieved manufacturing independence, and in others at least decision-making independence, which allows us to know precisely what we are purchasing, or, to use the jargon, allows us "to open the technological package" of each purchase to determine its objective.

The subject of discussion then changed to the use of nuclear energy, a sector in which the country has attained important development in the last few years.

A food irradiation plant is operating at Ezeiza. This technique is important for food exporters because it prolongs the preservation of vegetable, fruit, and fish products.

Perez Ferreira stated: "This plant required advanced technology and the capacity to design other plants, so now we have a technological package that can be sold to those who wish to install a similar plant."

In the field of nuclear medicine, the Bariloche nuclear plant is building a positron emission tomographer and a particles accelerator — the cyclotron — which activates the tomographer. This tomographer presents an advantage over the common tomographer, because it not only locates the affected organ or tissue but it also allows a follow-up of the physico-chemical process that takes place in that organ or tissue.

This technique is based on the use of an organic compound tagged with a short-lived positron-emitting isotope injected into the patient. The positrons are then annihilated by the electrons of the organ under observation, and the consequent gamma rays emission is detected by the tomographer.

Because of its short life, the isotope cannot be first produced in a nuclear plant and then taken to the hospital. It was therefore necessary to develop a compact

cyclotron capable of accelerating protons to produce the short-lived isotope, which is then taken to the tomography room by a radio-chemical system.

Perez Ferreira concluded by saying that this presupposes not only a high-level of local technological development but also the availability of personnel to handle this technology. This has been one of the CNEA's greatest achievements.

Atucha I, Embalse Plants Not Operating
PY011223 Buenos Aires Domestic Service in Spanish 1600 GMT 31 Aug 87

[Text] The Atucha I and Embalse Nuclear Plants are not operating due to several problems that are causing a daily loss of 500,000 Australes in electricity bill payments to the National Commission for Atomic Energy [CNEA].

Morevoer, the inactivity of these plants is reducing electricity production which must be made up by thermal reserve plants.

The Embalse Plant in Cordoba will probably resume activities tomorrow after being put out of service last week by the failure of the turbines' automatic system and other mechanisms. Atucha I had been scheduled to stop operating for a long time, and it will resume electricity generation in October.

Armed Forces Sale for Reorganization
PY011514 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1928 GMT 29 Aug 87

[Text] Buenos Aires, 29 Aug (NA) — Most of the funds obtained from the sale of Army, Navy and Air Force property will be used to reorganize units, especially those stationed in Patagonia. The problem of crowded airspace, caused by the great number of airports and airstrips around Buenos Aires, will be solved by concentrating Air Force flights at Ezeiza airport and transferring some domestic flights.

Earnings from the sale of some 5,000 hectares belonging to the Army, and the sale of Navy and Air Force buildings will make it possible to carry out plans prepared by the staffs of the three forces and by the joint staff, which has several folders of plans that cannot be implemented due to lack of funds.

According to studies by a high-ranking government source, the government decision to authorize the sale of these facilities will allow the modernization process to go ahead. This process includes, according to the source, all the topics regarding defense and Armed Forces policies.

In this regard, it has been said that this process includes reform of the military code of justice to be implemented by a committee which is already functioning; Army training plans scheduled to go into effect next year; the approval of the defense bill, which is being debated at the Senate; the redeployment of Army units; and the concentration of Air Force activities at Ezeiza.

[Words inidstinct] is considering moving Mar del Plata Naval Base to Puerto Madryn, wehre the Navy submarines base could also be built. The source emphasized, however, that no final decision on this move has been made.

Regarding the Army training plans to go into effect next year, the project proposes that those who graduate as noncommissioned officers also receive a high-school diploma.

In the case of those who enter the military academy, the plan proposes that, at the time of graduation, they receive a college degree in international relations or in the area of engineering, in addition to a commission as sublieutenant.

Their studies will continue at the War College and, at the end of the course, the officers will receive a masters degree in international relations or engineering.

The source also referred to the reformation of the military code of justice, and denied that all studies will concentrate on Article 514, which refers to the Due Obedience Law.

In this regard, the source explained that the code is a "global instrument," and that it must adapt to the new reality of the Armed Forces.

He mentioned that a new code applied to an old-fashioned concept of the Armed Forces is as ineffective as an old code applied to a modern concept of Armed Forces.

The source also recalled that studies on the code will be ready in 6 months, and that by the end of February 1988, the entire project will be ready.

When analyzing the consequences of the Holy Week crisis and the relation between the crisis and the work of the Army promotion boards, the source denied the rumor that the government is considering placing some of the officers involved in the rebellion on the retirement list.

The source confirmed that the promotion boards are analyzing the cases of the officers to be promoted, and added that, as several of the officers who took part in the rebellion are being tried by the military courts, their promotions will not be announced before the organization investigating their involvement issues a ruling on their cases.

Regarding the situation of former Lieutenant Colonel Aldo Rico, who asked to be reinstated, the source refused to say whether or not Rico's request has been granted, and added only that "the situation will be decided by the Defense Ministry authorities."

He stressed that it would be "inappropriate" to announce the decision of the authorities before the concerned person is informed about it.

The source also expressed his hope that the Chamber of Deputies will quickly debate the Defense Law when the modifications made by the Senate are submitted for its approval. He denied, however, that the Executive Branch is going to veto the bill, because "it is a good bill."

The source concluded by commenting that the Defense Ministry "does not use different criteria" when judging retired officers who make political comments, and that it is not stricter in punishing officers who are connected to organizations such as CEMIDA [Center of Military Officers for Demcoracy] than in punishing those who are not.

He said that, as the sentences dictated from 1983 until now are analyzed, one realizes that whenever a punishment has been required, it has been applied without regard to any affiliation.

He added that Brigadier General Alsogaray, who harshly criticized the retired officers on 5 July, was not punished for his words.

Bolivia

Minister Says School Activities Resume

PY011309 La Paz La Red Panamericana in Spanish 1130 GMT 1 Sep 87

[Text] Education Minister Enrique Ipina Melgar has stated that classes must continue until February to complete the 200-day school term, especially in districts where the strike has been more widespread.

The minister added that school activities resumed yesterday throughout the country. School activities resumed fully in rural areas, while in urban areas, activities were resumed and then suspended to allow for a scheduled general meeting. Such suspensions are routine whenever this type of meeting is scheduled.

The minister said the results of an assessment of school activities yesterday were positive. For this reason, he added, the government has decided to continue talks with the teachers.

Brazil

Nuclebras To Sell Uranium to Argentina

PY020334 Rio de Janeiro O GLOBO in Portuguese 1 Sep 87 p 25

[Text] David Simon, director of Nuclebras [Brazilian Nuclear Corporation, Inc.] yesterday said that Brazil will start exporting enriched uranium to Argentina beginning in 1989. Simon made this statement after the inauguration of the Elements Separation Plant [Fabrica de Elementos de Separacao] (FES), which is part of Nuclebras industrial complex in Resende, Rio de Janeiro State. Simon stressed that Nuclebras already controls the uranium enrichment technology by the jet-nozzle process developed in a joint effort with the FRG, and that the country will be able to enrich uranium to 3 percent by 1995 — Brazilian nuclear power plants use 3 percent enriched uranium as fuel.

According to Simon, the sale of uranium to Argentina will allow Nuclebras to refine the enrichment process at the same time it produces nuclear fuel. The first commission will be for 5 tons of 0.85 percent enriched uranium worth $1.4 million.

This sale is part of a larger nuclear corporation agreement between Argentina and Brazil. Nuclebras will spend over $40 million until 1988 to finish the first stage of the plant that will produce the uranium enriched to 0.85 percent.

Argentines are interested in the purchase of uranium enriched to 1 percent because their nuclear power plants use natural uranium and they wish to use a slightly enriched fuel.

David Simon added that Nuclebras' FRG partners have left the project because the know-how for the enrichment process has already been attained and because Brazil does not have the resources to build the 400 parallel units [estagios] in the near future.

Despite the high cost of the plant, Simon stressed that the construction of the facility is important because it will allow Brazil to negotiate with other countries from a sovereign position, as soon as it attains the capacity to enrich uranium to 3 percent.

Sarney Sends 1988 Budget to Congress

PY011908 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Sep 87

[Excerpts] President Jose Sarney yesterday sent to Congress the 1988 budget which totals 3,238,000,000,000 cruzados. Of these revenues expected next year, 551 billion cruzados will go to civil servants payroll and social obligations coverage.

The Federal Government budget is to be divided among the three branches of government in this way: Executive Branch 1,366,000,000,000 cruzados. Judiciary Branch 30,442,000,000 cruzados; and Legislative Branch 22,602,000,000 cruzados. The largest portion of the Executive Branch budget will be allocated to the Transportation Ministry, that is, 225 billion cruzados, which will be basically spent to repair 25,000 kilometers of roads and to build about 2,000 kilometers of new roads. Of this amount, 8 billion cruzados are apportioned to begin the construction of the north-south railroad. [passage omitted]

The smallest portion of the budget is allocated to the Administration Ministry, nearly 4 billion cruzados. The four military ministries will receive 283 billion cruzados.

According to Planning Minister Anibal Teixeira, the government took the following points into consideration when preparing the nation's budget for 1988: Annual

inflation rate of 60 percent, GDP growth of 6 percent, and trade-balance surplus of $10 billion.

Deregulation To Start on 1 September

PY011953 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 1 Sep 87

[Text] The price deregulation stage begins today. The Finance Ministry has released a resolution setting the monthly Price Reference Unit, URP, at 4.69 percent, which will be applied to prices and salaries during the months of September, October, and November. Industry, supermarkets, and retailers are free to readjust by 4.69 percent the prices of products that are not regulated or fixed by the government.

The monthly URP values have been established at 104.79 cruzados for September; 109 cruzados for October; and 114.74 cruzados for November. Residential rents will be readjusted by the OTN [National Treasury Note] variation from the month when the contracts were signed to the pre-established date of readjustment.

Installments of the Housing Financing System that were not frozen will be readjusted every month by the URP that will correct salaries. This in turn will be reflected in house purchasing installments 60 days after salaries have been corrected.

All this information has been provided by the coordinator of the Bresser Plan Follow-up Group, Claudio Adilson Goncales.

President Jose Sarney today will sign a decree establishing a new nationwide minimum salary between 2,324 and 2,358 cruzados, provided that there is a real gain in salaries of 1.5 percent this month. The new minimum salary will be discussed by President Sarney with Finance Minister Bresser Pereira during a luncheon meeting. The finance minister's proposal is to add to the current minimum salary of 1,970 cruzados a bonus of 250 cruzados plus the URP of 4.69 percent.

In turn, Labor Minister Almir Pazzianotto said that the URP will be applied in readjusting the prices of products. According to him, the workers will not sustain any loss. Minister Pazzianotto recalled that salaries can still be freely negotiated between workers and employers.

[Begin Pazzianotto recording] Freedom of salary negotiations is guaranteed by law. Therefore, on their base-date for readjustment of salaries, the workers will have the right and the possibility of recovering any difference that might exist between readjustment they were granted each month over a period of 12 months and what is needed to secure a complete readjustment for lost purchasing power. The law does not preclude the negotiation of salary increases. [end recording]

Minister Pazzianotto also recalled that in addition to the readjustment by the URP, workers will receive the first of six installments to make up for those portions of readjustments above 20 percent inflation that were not made when the so-called salary trigger was in force before the Bresser Plan.

An adjustment of 6.27 percent might be granted today to civil servants as compensation for inflation-caused losses over the last three months, in addition to the amount above 20 percent that was not paid to them when the salary trigger was activated in May. This adjustment will be authorized as soon as the August inflation rate is officially announced. The August inflation is estimated at 6.36 percent. This will be the only salary readjustment to be granted to civil servants until the end of this year, in addition to the 250-cruzado bonus to which those earning up to five monthly minimum salaries are entitled.

Bresser on Inflation, Debt

PY020247 Brasilia Domestic Service in Portuguese 2200 GMT 1 Sep 87

[Text] Finance Minister Bresser Pereira today announced the new low for the country's salaries: As of this month it will be 2,400 cruzados.

In comparison to the previous low, the increase amounts to 8.3 percent, which surpasses August's inflation rate. Bresser also announced that September's inflation rate will be approximately 6 percent. According to the minister, the government plans to maintain inflation at this level in the coming months.

Fernao Bracher, special adviser for external affairs to the Finance Ministry, will travel today to Europe, where he will meet with bankers in France, Great Britain, the FRG and Switzerland.

On 5 September, Bracher will meet with Bresser in Vienna. Bresser plans to travel to Austria on 2 September and the two of them will then travel to Washington at the invitation of U.S. Treasury Secretary James Baker.

In Austria Bresser will give a talk at the Congressional Summit [preceding two words in English, an organization founded by U.S. Congressman Bill Bradley, on the solution, or solutions, to the underdeveloped countries' foreign debt problem.

During a press conference today, the minister said he considered Secretary Baker's invitation as a very positive sign, because it will help Brazil to submit a definite proposal on the negotiation of the foreign debt.

The formal proposal regarding the negotiation of the foreign debt must be submitted to creditor banks by the Brazilian Government before the IMF's annual meeting, which will be held in Washington between 20 September and 2 October.

On 9 October, the IMF's board will meet to evaluate the economic plan of Minister Bresser's team. Fernando Dall'Acqua, special adviser to the minister, travelled today to Washington, where he will participate in a meeting and provide the necessary additional information.

Chile

Armed Group Kidnaps Army Colonel 1 Sep

PY011323 Santiago Domestic Service in Spanish 1310 GMT 1 Sep 87

[Text] Unofficial sources confirmed this morning that an Army colonel who apparently was taking his child to school has been kidnapped by an armed commando group. The official has been identified as Carlos Carreno, who lives at 8000 Simon Bolivar St, where a group armed with what appeared to be automatic weapons intercepted the officer as he was leaving his house and kidnapped him. The child, however, was not kidnapped. The incident occurred at about 0715.

During the escape, the armed group fired at a Carabineros van that was patrolling the sector. A Carabinero corporal was injured in the shooting, while another Carabinero was injured when the jeep that was pursuing the kidnappers suddenly crashed.

The Army command has (?not issued any) reports about the incident. Carabineros, military officials, investigative police, and CNI [National Intelligence Center] personnel are taking part in the search operation.

Further Details on Kidnapping

PY011425 Santiago Domestic Service in Spanish 1310 GMT 1 Sep 87

[Report by Benedicto Castillo]

[Text] Investigations are being carried out to determine the circumstances surrounding the kidnapping of Colonel Carlos Carreno, the FAMAE [Army Ordnance] deputy chief. The kidnapping, which has caused great commotion among residents in the vicinity of Simon Bolivar, Juan Francisco Gonzalez and Carlos (?Ochandoi) Sts, occurred at about 0715.

According to eyewitnesses we have interviewed, a couple of cars were parked across the street from Col Carreno's home, which is part of a condominum. [Words indistinct] pretended to be [words indistinct] employees and they had removed a manhole cover and pretended to be working [words indistinct].

Once the chief of the operation gave the command, the colonel was forced at gunpoint to get into a [word indistinct] car. This entire incident was witnessed by the colonel's son, Carlos Carreno, a courageous adolescent, who upon seeing that his father was being kidnapped, picked up a gun and proceeded to repel the extremist attack.

Nevertheless, the extremists were able to escape with Col Carreno. The whereabouts of the group were unknown until a Suzuki jeep was found at the corner of Monte Bruno and Martin Rivas. All personnel involved in the search operation came immediately to the scene because it was presumed that some of the members of the commando might be hiding nearby.

We have additional information supplied by Reporter Benito Rebolledo:

In keeping with information given to us by Carabineros and special forces present in this sector, we can report that almost at the same time that the kidnapping took place, Carabineros forces clashed with another group. As a result of this clash, a Carabineros corporal, whose identity has not been established, was injured. A Carabineros jeep pursued the Suzuki jeep carrying the subversives. But the Carabineros jeep, license number IJ428, overturned on Tobalaba St and crashed into a public bus with license number AM-19832, on the (?Los Dominicos) route. No one on the bus was injured but Carabinero Fred Herrera was hurt and taken to Carabineros hospital.

Moreover, the Suzuki jeep was spotted about 1 hour ago in the La Reina district, where trained personnel are trying to find finger prints. The Suzuki jeep was found at the corner of Monte Bruno and Martin Rivas Sts, 1 block from Tobalaba and Larrain Aves.

We can add that trained personnel are at 7349 Simon Bolivar St checking the area because there have been reports of an explosion and [words indistinct] explosive device. All these incidents occurred at the same time, which indicates that they are interrelated.

MIR, FPMR Suspected

PY020204 Santiago Domestic Service in Spanish 2300 GMT 1 Sep 87

[Excerpts] Ten thousand men are searching all corners of the Greater Santiago area and neighboring districts for kidnapped Army Colonel Carlos Carreno Barrera, Army Ordnance deputy director, who was kidnapped by an extremist commando in front of his house in La Reina district.

The search is being carried out by members of the following groups: the special police investigative group (the same that investigated the attack on the president), the (GOPE) Carabineros Special Operations Group [Grupo de Operaciones Especiales de Carabineros, the OS-4 OS-7 Department of Carabineros, the National Intelligence Center, the Military Intelligence Departemnt, and all Metropolitan Area Carabineros members in general. [passage omitted]

So far, no terrorist group has claimed responsibility for the attack, and therefore the abductors intentions are unknown. However, according to initial police investigations, the abduction was planned and financed by the Communist Party and carried out by members of the MIR [Movement of the Revolutionary Left] and of the FPMR [Manuel Rodriguez Patriotic Front.

A recent police report states that at least five vehicles were used — most of which were stolen — in the abduction with an equivalent number of heavily armed terrorists. According to these investigations, the abduction was carefully planned. The terrorists even counted on the weather report to act in accordance with the previaling climatic conditions.

The family of Col Carreno is not in its home, which is under military custody. Carreno's wife and four children were transferred to a special military security site and are being informed on the investigation.

Army Issues Communique

PY011823 Santiago Domestic Service in Spanish 1700 GMT 1 Sep 87

[Communique issued by Army Public Relations Department]

[Text] 1. As is well-known, Lieutenant Colonel Carlos Carreno, who works at the Army Ordnance, FAMAE, offices, was kidnapped before dawn today [as heard].

2. The Army condemns this cowardly attack against one of its officers and adds that actions of this nature are part of the Marxist subversive aggression which seriously undermines the peaceful coexistence of citizens.

3. The Army reasserts that any terrorist effort to intimidate Army officers will fail in its objectives and will not be able to separate them from the path they must follow in keeping with what is demanded by their fatherland and their people.

Carabineros Chief Comments

PY012140 Santiago Radio Chilena Network in Spanish 1700 GMT 1 Sep 87

[Excerpts] Carabineros Chief General Rodolfo Stange has said that the kidnapping of Colonel Carlos Hernan Carreno Barrera was carried out in the framework of the so-called Red September planned by mercenary criminals.

Gen Stange made these statements after attending a ceremony today to commemorate the day of the Carabineros' non-commissioned officers.

Stange, a member of the government junta, provided some details of the kidnapping:

[Begin recording] Yes, it was a planned and organized abduction. Three individuals disguised as workers from, say, a specific company, kidnapped an Army officer.

The government has already stated, by means of different spokesmen, including myself, that it has long been detected that mercenary criminals are considering this month as Red September. These mercenaries are people incapable of integrating society and of working honestly for the progress of our country. They dedicate themselves to cause unrest among the population. [end recording]

We hope, Stange said, that these subversive actions do not continue. He then made an appeal to the citizenry to cooperate and report on unusual situations. He said several measures have been adopted to prevent these sort of terrorist actions. [passage omitted]

'Common Criminals' Murder Sergeant

PY012204 Madrid EFE in Spanish 0405 GMT 1 Sep 87

[Text] Santiago, 31 Aug (EFE) — The Public Relations Office of the uniformed police today reported in Santiago that two common criminals are the alleged murderers of Carabineros Sergeant Leopoldo Tolosa.

Tolosa, described by the local press as a member of General Pinochet's escort, was murdered on 27 August in the southeastern sector of this city while waiting for a bus near his home.

The two alleged murderers were identified as Sergio Antonio Silva Aedo, 24, and Luis Ivan Franco Llanos, 26.

Police have reported that the two criminals, who have criminal records of theft with intimidation, committed the murder while under the influence of alcohol and that they intended to steal Tolosa's weapon.

Last week, the Investigative Police indicated that Tolosa's murderers were reportedly members of a Marxist extremist group.

Carabineros have reported that the murderers have been placed at the disposal of the Military Courts.

Soviet Ships Staying Outside Limits

PY011930 Santiago Domestic Service in Spanish 1030 GMT 1 Sep 87

[Text] The office of the Arica naval area commander has announced that Soviet fishing boats, which are operating off Arica, in northern Chile, are staying beyond the 200-mile limit.

Here is a report by journalist Jorge Alfaro from our branch office in Arica.

Arica Naval Commander Mariano Cruzat Palacios has said Soviet boats, fishing off our coast in large numbers, are outside our territorial waters. They are definitely outside the 200-mile limit, and this is periodically checked by air patrols and by units from the northern naval district, operating outside the 200-mile limit, he said.

Concerning the possibility that some Soviet fishing boats might try to reach certain points on the Chilean coast near Arica, Cruzat Palacios said they could try it but our air and sea patrols would detect them.

Concerning the investigations of two accidents that occurred recently, in which a Peruvian ship hit an underwater obstacle, and a Chilean ship hit pier No 3, Cruzat Palacios said the outcome of the investigations has not yet been released. He described these accidents as normal in a port area.

Education Minister on University Strike

PY020243 Santiago Radio Chilena Network in Spanish 2300 GMT 1 Sep 87

[Text] If the university strike continues, the academic term will have to be suspended, Education Minister Juan

Antonio Guzman has said. He made this statement after having met for more than 2 hours with the University of Chile rector and the University Council made up of all the deans.

[Begin Guzman recording] This is a problem that runs against time. A decision must be adopted as soon as possible, because as long as this situation persists the academic term will not be able to continue. There are academic reasons for this. There will not be enough weeks to hold classes to comply with academic standards. [end recording]

The minister also denied the existance of a project for dividing the University of Chile into four institutions. He said that before an institution is entitled to receive economic aid, it should first be approved or considered by the development plan for higher education. He said he has explained this to the university rector and deans.

Politicians React to Barco's Speech
PA010509 Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Aug 87

[Text] Bogota — President Barco's Saturday night speech was received by politicians with differing opinions. The Conservatives criticized the president because, according to the opposition, a firmer attitude toward Venezuela was needed. The Liberals backed Barco.

Conservative leaders Alvaro Gomez Hurtado, Gabriel Melo Guevara, and (Rodrigo Gueveda Caicedo) said the presidential message lacked vigorous replies to the Venezuelan president, who, according to their opinion, issued statements unacceptable to Colombians over Venezuelan rights to the Coquibacoa Gulf. They also noted that President Barco did not discuss important issues such as the deterioration of justice or Colombia's sovereignty over and defense policy in the disputed waters.

The Liberals, headed by former Minister Hernando Duran Dussan, said the president has handled the situation with Venezuela with prudence, composure, and skill. Duran added that the Conservative criticism toward the president seemed unfair. In the opinion of the Liberals, the speech should stand out for the government's effort to strengthen justice and to create mechanisms for preventing and punishing crime.

Officials Probe Venezuelan Actions
PA010455 Bogota Emisoras Caracol Network in Spanish 1215 GMT 31 Aug 87

[Text] Bogota — The Attorney General's delegates, Bernardo Echeverri Ossa and Omar Henry Velasco, arrived at the border zone with Venezuela to investigate possible mistreatment by the neighboring country's police.

In Arauca they will hear from Colombians living in the border area who complain of abuses by the Venezuelan Judicial Technical Police, PTJ. The District Attorney's office has received evidence from Colombians living in Arauca about the repeated presence Venezuelan guards inside Colombian national territory.

Paraguay

Government Persecution Denounced
PY012306 Asuncion HOY in Spanish 1 Sep 87 p 8

[Text] The Popular Democratic Movement (MDP) has denounced "the political persecution that is being suffered by fellow member Hector Lacognata through the attempt to try and bring him to trial for the alleged crime of slander and through the raiding by the "police of the political leader's home.

The MDP states that "the arbitrary raiding by the police" of Lacognata's home took place on 30 August "with the objective of detaining him" in order to "subject him to an unjust trial within the context of the regime's escalation of repression against the democratic opposition."

It then states that "the facts that have been submitted by the attorney general for the attempt are based on the remarks that Lacognata made about the brutal murder of Rodolfo Gonzalez, who was a UNA [National University of Asuncion] law student."

During the course of a student rally on 10 April 1987 Lacognata stated that Gonzalez "had been tortured and killed by the regime's agents, because only the regime's acolytes can torture and murder with impunity in this country." The MDP then indicates that "it assumes as its own these remarks, and the MDP will continue to struggle until Gonzalez' murder has been completely cleared up."

Finally, the MDP urges "all the country's political and social sectors to express their solidarity against repression as the only guarantee that will be able to stop this new escalation of repression by the regime.

Febrerista President Vera Detained
PY012304 Asuncion HOY in Spanish 1 Sep 87 p 8

[Excerpts] Fernando Vera, president of the Revolutionary Febrerista Party [PRF], was detained on 31 August by plainclothes policemen at the end of a news conference that had been called by the PRF to report on some aspects related to the banning of the newspaper EL PUEBLO by the Interior Ministry.

Vera was surrounded by policemen as he was leaving the Casa del Pueblo, the party's headquarters, and about to get into his car. Vera was treated rather violently when he asked the policemen to identify themselves, but matters calmed down when another police car appeared on the scene and in which he was apparently taken to Police Headquarters. [passage omitted]

During the morning of 31 August a petititon of habeas corpus was submitted to the courts in favor of those persons who were detained on 29 August after the Fifth Civic Assembly had been carried out. The following persons remain under detention at the Security Guard:

Miguel Abdon and Hermes Rafael Saguier, Maria Ligia Centurion, Gabriel Rodas, Beatriz Romero, Nestor Vera, Fernando Insaurralde, Tomas Lopez, and Fernando Vera.

Peru

Garcia: No Concessions To Terrorism

PA011548 Lima Television Peruana in Spanish 0100 GMT 31 Aug 87

[Excerpts] We cannot show any kind of weakness toward terrorism; we cannot make concessions to terrorism; we must defeat it completely with the contribution and unity of all Peruvians, President Alan Garcia said while expressing his deep regrets over the murder of Rodrigo Franco, president of the Peruvian National Enterprise for Industrial Marketing. [passage omitted]

[Begin recording] [Reporter] Mr President, what do you think the opinion of the Peruvian people is concerning this kind of event? Tomorrow, the parliament will begin discussing the amnesty law; there is some connection between those things. Something has to happen tomorrow, and citizens must indeed have an opinion of all these situations. What can you tell us about that?

[Garcia] I am increasingly convinced that we cannot make any concessions to terrorism. We cannot show any kind of weakness toward it; we must defeat it completely without any kind of weakness. Our defense is the strength with which we act regarding terrorism. Our defense is the general understanding that is also in the hands of all Peruvians to put an end to terrorism. Not only the police, but all Peruvians should act against terrorism. We should use all available means to defeat terrorism.

We should all contribute toward ending this historical seal of hatred that has befallen our country. I am completely convinced that under no circumstances can we make concessions to terrorism. He who distributes rebel propaganda is as guilty as he who places bombs or murders indiscriminately or selectively, because all of them are determined to destroy our democracy and society. There is no difference among them.

He who today distributes propaganda is the same who tomorrow will buy a gun and murder Rodrigo Franco or any other authority or person. Breaking the rules of democracy is both distributing rebel propaganda or staining your hands with the blood of others. Those rebel pamphlets are stained with blood; those pamphlets that defend death and violence are stained with blood. There is no difference between he who recruits people to join terrorist groups and he who kills directly.

Terrorism is a general crime, and all those individuals are involved in it; therefore, we cannot show any weakness toward it. I beg all Peruvians to avoid showing any weaknesses or concessions toward terrorism. We have many years of deep social work and transformation ahead of us, as well as severe, drastic, and tough actions toward terrorism. Those who reject that position are showing weakness and giving terrorism an opportunity to win. [end recording]

Uruguay

Sanguinetti Assesses Administration

PY011700 Madrid EFE in Spanish 0146 GMT 1 Sep 87

[Text] Montevideo, 31 Aug (EFE) — Uruguayan President Julio Maria Sanguinetti today completed half of his term in office. During this time he has overseen Uruguay's transition to democracy. Commenting on the occasion, he said: "With the support of all, the country has carried out this transition peacefully."

Sanguinetti, 51, said: "We are now living in full democracy," although "there are still problems." He cited the referendum aimed at revoking the law suspending trials of Armed Forces and police officers involved in human rights violations as an example of one of the problems the country still faces.

The Uruguayan chief of state asserted that "the Armed Forces have been completely integrated into institutional life."

In a "report to the people on the situation in the country at the end of 2 and 1/2 years of constitutional government," the president held talks with the interior, defense, and foreign ministers, which are broadcast over radio and the television.

President Sanguinetti said: Our "greatest concern" was "naturally to restore the Armed Forces' political equilibrium" because they were coming out of a period of "de facto" government.

Sanguinetti's presidential inauguration for a 5-year constitutional term on 1 March 1985 put an end to a military regime which took over the government in a coup in June 1973.

Sanguinetti said: "Uruguay has made a great effort in the last 2 and 1/2 years. The effort was made not only by the government but also by the entire country amid great problems. It included the full reintegration of the Armed Forces into the country's institutional life."

Sanguinetti added: "Uruguayan society has been immensely generous. The people who brought violence into the country and committed excesses were granted amnesty and the excesses that members of the Armed Forces might have committed during the de facto government are no longer actionable."

In March 1985 the bicameral Congress approved an amnesty law for political prisoners and former Tupamaros guerrillas who were imprisoned, under what they claimed were very harsh conditions, during the military government.

The "Full Stop Law," which has the technical name of Statute of Limitations Law, suspended trials against military men and policemen involved in human rights violations. This law was approved by Congress in December 1986.

Political and social organizations support a referendum to annul that law which they labeled the "Law of Impunity."

These organizations include the Tupamaros, which is now a legal party; the leftist Broad Front coalition, which is the third political force in the country, the main union confederation; and sectors of the Blanco and Colorado Parties.

Under Uruguayan law, in order to call for a referendum it is necessary to have the signatures of one-fourth of the people registered to vote, about 560,000 signatures.

The organizers of the referendum, who began their campaign last February and have until December to complete it, have said they already have 500,000 signatures.

Regarding the referendum, Sanguinetti said: "I have no doubt that we will overcome this problem and that the law which closed that chapter in the national life will be supported by the majority. They are already supporting it because most have not signed the call for a referendum."

Defense Minister Juan Vicente Chiarino indicated that the military force has been reduced by one-fifth from 1985 to 1987, from 29,839 to 24,275 members.

Chiarino said military expenditures have been reduced by about 1 billion pesos (approximately $450,000) since the constitutional government was installed.

Foreign Minister Enrique Iglesias said democracy "has made it possible to reassert our presence in the world" and "the country's power resides in its democratic convictions."

He added: "We are concerned about Central America because we are all committed to peace in the Americas. This is why we are trying to bring tranquillity to that turbulent region. We have also taken a stand on the foreign debt issue because we are all affected by it."

Since 1985 Uruguay has been a member of the Contadora Support Group, which is trying to find a negotiated solution to the Central American crisis, and it currently holds the temporary secretariat of the Cartagena Consensus, comprising the 11 most indebted nations of the continent.

Iglesias also emphasized the strengthening of political and commercial relations with Argentina and Brazil, its two powerful neighbors.